

## 360 DEGREE PERFORMANCE APPRAISAL SYSTEM IN INDIAN BANKING INDUSTRY

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### ABSTRACT

*It is important to define development and evaluation in order to examine the effects of evaluating performance appraisal and isolating developmental components. Development is an attempt to relate to the enriching attitudes, experiences and skills that improve the effectiveness of employees. Examples of developmental performance evaluation include examples; identifying the strength and weakness of person, determine the goal and identify the needs of training. Assessment is compared to a person's performance, as a past performance evaluation of a fixed standard, other organizational members, or individuals, which often to support the human resource activities like pay administration, promotion or end decision and identification of good or bad performance. Information offer by the performance evaluation system is used to take many administrative and development decisions related to promotion, salaries, training and development, derivatives, transfer, career plans etc. PAS has to give feedback to the employees that how good they are and recommending changes in their behavior, skill and job knowledge. It also provides the details to the management that can be helpful in recognize employee capacity while giving the appropriate direction of different administrative decisions. If PAS is well applied, then this organization can take on fast growth track and fast productivity. Efforts were made in the present research work to diagnose the factors of dissatisfaction among employees at various stages regarding the conduct of functioning of PAS and to find out the remedies. In this regard, the current study has tried to recognize some important evaluation variables i.e. design variables, process variables, resulting variables and organizational content, which define the satisfaction of evaluator and evaluators towards the effectiveness of evaluation system practices.*

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**Keywords:** Performance, Evaluation, Strength, Weakness, Development, Administration, Promotions.

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### Introduction

Most organizations evaluate performance for various reason, they stimulate open communication between employees and employers or subordinates and supervisors which help finally make effective a cohesive workgroup; evaluation can generate accurate records of partial performance that can assist in counseling and objective setting for individual workers. Management assessments expect to clarify the objectives of the organization during session and to make sure that personal goals are in line with these objectives and it is mutual awareness where both the organization and the person are going to use the performance evaluation is also used for more solid reasons like adjusting the salary, assessing the promotion of employees, dismissal, derivatives, research etc. yet, if employees know that the purpose of performance evaluation is to estimate the strength and weakness and to conduct the training program, these powers are to develop and to remove these vulnerabilities, they can be more interested to cooperate and can allow their weaknesses to be appear. When the performance evaluation is considered to be employee development, the employees have tried to display more favorable attitude. The main research agenda included the main three research purpose, viz. 1) to look at the satisfaction level of employees, both evaluators and appraisers with the existing performance appraisal system in

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sample study banks. 2) a sample study to uncover the perception of the assessors as well as evaluators on a number of issues relating to the existing evaluation process of the organizations, 3) to explore the factors responsible for the dissatisfaction of managers for PAS in the related organizations and 4) to provide tips to the management in general and human resource development department of sample study organizations in particular regarding remedial measures aimed at create the existing scheme of PAS more effectual, better and result oriented.

### **What is Performance Appraisal System**

The performance appraisal system (PAS) is a major human resource development (HRD) mechanism which is designed and used for entire growth and development of the employees as well as the companies. PAS is being used to evaluate whether employees at different levels perform their assigned tasks according to the expectations of their supervisors and set standards. The details generated from such performance evaluation program generally helps in applying some administrative and development decisions in connection with the selection, appointment, promotion, prize, training and end. In addition, the performance evaluation provides details to management that helps in recognize the employee's capacity and gives the appropriate direction to the decisions of the administration. Performance evaluation is the key to reflecting on their issue related to their own competencies and their performance in the hands of people. The performance evaluation process enables the construction of a resourceful organization which is able to solve its problem and achieve targeted business goals. Performance evaluation system provides details to management about performance of employees, which can be used by recognize potential people for succession plan. It helps to take administrative decisions as management, to help in salary increase, promotion, appointment, transfer and supervisors to help them to know their subordinates and gives the subordinate to know where they stand with the owner. Success or failure in performance evaluation depends on the approach and skill of people responsible for its organizational philosophy, and its implementation and administration, as well as acceptance, commitment, and ownership of evaluations and evaluators. The effectiveness of special program may also be affected by the purposes of "procedural fairness and distributive justice" where procedural fairness refers to the perceptions of employees of the overall process equity programs and where the distribution is connected to the assumptions of the reward and relevance of recognition. Proponents of performance review and management system such as Drucker (1954), Casio (1996) and Wilson(2001) agree that performance review programs are logical, and superior, means to evaluate employee's knowledge and capabilities to develop and use them effectively.

### **Performance Appraisal Slentem in Indian Organizations**

In the last few years, in the Indian organization there has been important movement or change in the system evaluation system. While some organizations have been a long experience with evaluation system, the other has recently started paying more attention to them. In the 1980, performance evaluation has been increasingly used as a tool or development by a large number of organizations. The objectives of evaluation were changed to include several development dimensions. The clarity of the role, strengthening the subordinate relationship, increase the communication, identify the needs of development, soft-renewal through self-assessment, enhancing the enabling abilities of evaluators to making a new culture, etc. are some of the most involved components by these organization. Some of the organizations with great focus on valuation as a development tool include Larsen & Toubro Ltd. Dairy development board, steel authority of India Ltd., Bharat heavy Electricals Ltd., CMC Ltd., Philips, IDBI, Sundaram Fasteners, Sundaram Clayton and Indian Airlines, some of them report satisfactory experience. Most organizations have experienced one or other difficulty in using assessments for development. Most of these are due to mixing of development objectives with control purpose. This trend is clear in some cases where organizations started to eliminate the evaluation word and started using word like performance plan and review, performance analysis and development, work plan and review etc. several important objectives can be achieved simultaneously with a well-design performance evaluation system. With Indian adopting the philosophy of liberalization and deregulation, and committing itself to be a global player and competitive, productivity, performance, profits are now more than ever. Unless the performance management systems in Indian organizations are in line with rigorous and precise international standards, they can be left behind in the race.

### **Process of Performance Appraisal System**

Develop on evaluation system that exactly reflects the employee's performance, is a difficult job, the performance evaluation system is not normal or easily passed from the company to another company, their design and administration should be prepared to match the employee and organizational characteristics and

properties. Performance evaluation is usually done to tell an employee that its performance compares with senior expectations and identify areas in which training and development are required. Employees have a valid need to know how their performance is seen. At the basic level, without the adequate communication between the employees and supervisor, undesirable work habits can be formed or good work habits can be modified. Such communication can be seen by the employees as an approval of their current work habits and performance. The steps involved in the process of performance evaluation system are as follows, the process of performance evaluation system starts with the establishment of objectives for the coming year. The purpose should be with verifiable targets and milestones where possible. Objectives should be added to departmental and divisional business plan. Performance measures are fundamental for a system of performance evaluation and are installed in the first phase of the system. The goals are motivated because they are about to create excitement. The goal is especially increasing challenging target performance because they encourage employees to try hard and provide signals for the direction of work efforts. Personal purposes should focus on distribution of business and should be connected directly to branch/ division/ departmental trade plans. All employees should be actively involved in the development of branch/ division/ business plans. The purpose of skill for success is to help employees manage their skills and career development. In the annual and annual performance reviews, the evaluator and the appraiser discuss this, agree and record how skills have been demonstrated for success in meeting the job objectives. Identify specific strengths and area where the future is likely to develop. The performance evaluation form provides that the opportunity to discuss the evaluation of the career direction and the next 2-5 years of plans is in both years and annual performance review meetings, evaluations should discuss and review the direction of their future career, including professional streams with their evaluator. Propose to focus on the evaluator. Developmental evaluation is an integral part of the display management system, which is aimed at identifying those areas and to develop skills and performance to help evaluation of the needs of the current and future roles of the evaluator. Development evaluation should continue during the entire evaluation year. The annual performance review meeting should include the discussion about how the evaluator performed and learning activities and how they helped to evaluator meet the identified development needs. In addition to the ongoing dialogue between the evaluator and appraiser, the performance of at least one year should be reviewed. This is an opportunity to discuss and review the progress of evaluation against its purpose for evaluator and appraiser, so both should be prepared for it. In the year review, the evaluator and the appraiser should be agreed and the examples of performance should be recorded. Taking the example of which has been achieved can be helpful for both sides. The progress of evaluation should be an open creative evaluation in the direction of achieving its objectives. The appraiser should comment on progress in the evaluation form. Generally, there is a formal reaction session in each evaluation cycle for performance evaluation schemes, it is considered more effective through regular informal reaction. Boswell and Boudreau (2000) report that feedback shows employees how they can improve in the organization, results in the higher level of commitment to the organization.

### **Performance Appraisal in Indian Banks**

In India commercial banks are facing serious competition and change in the last few years. Measures of liberalization have also added a new dimension in the banking industry through the entry of new competitive players in the market. It has made changes in structural and operational policies of the banking industry. Expectations from banks and demands on them, which are increasing in both quantity and complexity has made the role of banks more challenging, requires new types of skills and expertise on behalf of bank employees. Given the background of uncertainty about what happening in the future, a major component for consistently dealing with changes from the changes in the financial sector will contribute to human resource development (HRD). Jammu and Kashmir Bank and SBI are no longer the exception of these realities. Today, all organization's personnel policies and procedures are in some form. These policies have the effect on the overall performance of individuals and organization. If the emerging challenges in the banking industry are seen in the light of the HRD, the work can be appreciated better than HRD. A deep work content analysis will help in preparing the role directory with explanation and job details for each role of employees. The use of adequate training programs, welfare measures and consultants and labor relations personnel is being made important to run the banking industry smoothly. Updating recruitment and selection processes and requires periodic performance evaluation processes. The banking industry is a discrimination of the banking industry that is form the personnel approach. The efficacy of the employees determine the quality of the services provided to a large extent, in the last few years, the banking industry has seen an ideal change in all aspects of manpower management such as requirement, training and development, performance evaluation system, placement and more. Top up mobility and expertise.

### **The Observation of Performance Evaluation of Study**

Comparing the constitutional difference between the managerial and non-managerial employees and on the basis of the organization and the results of the constant difference between the results is identified to any emerging pattern. The intense analysis of the results indicates that the conception of managerial and non-managerial, managers appears, which significantly show a slight high average scores of non-managers. Important conceptual differences, scope of better subordinate communication, employee acceptance, fairness, targeting, development value and administrative values showing important conceptual differences in the SBI. Considering the three levels of management it was found that the variables showing important conceptual differences in the three levels of management in terms of different public banks, there are variables showing important conceptual differences in three levels of management, the clarity of performance objectives, scope of better subordinate communication, employee acceptance, implementation, response, partnership, fairness, targeting, developmental value, administrative value, structure, reward, support, performance standard. Similarly, in three private levels of private banks, the variables showing the important perceptual difference in the top, middle and junior, employee acceptance, response, developmental value, administrative value, reward, support, high level compared to middle and middle with top management enter the mean value. Management of junior levels keeping in mind the nature of roles played by top management, these major perceptions was accepted too much. The top management assessment system is the major actor in designing, developing and implementing, so their perception is performed more being more positive than PAS own junior. Thus the results showed that comparative analysis of the average scores of top managers and middle and junior managers indicated that the top managers were more tilt in comparison to their juniors that existing evaluation practices are highly effective for employees. Although junior level management, especially in JK bank, it seems that related sample study organizations have not made serious efforts to implement the evaluation system.

### **Conclusion**

The main implication of this research is that management should include manager evaluation and appraisals and non-managerial employees in overall performance plan and review procedures. The results of both the manager's properties and evaluations including the non-managerial employees, feel that the performance evaluation system should have an important role and should be comprehensive for many organizational effects. Research also shows that the performance evaluation system provides an important tool in the management of human resources, which provides overall organizational effectiveness by defining performance tasks and goals by providing opportunities for the quality of informal and formal response, evaluation partnership and grievance redressal system. By establishing clear performance standards and distributing the reward and other personnel and developmental decisions, regarding the status of employees in relation to the status of employees' promotion, transfer, career planning, employee training and development related needs, increments, expiration or degradation. Therefore, the performance evaluation system should be an important link in the overall human resource management environment, strategy and its policies. Based on the context of the current study, managerial and non-managerial responses and perspectives from the literature on evaluation, the following important evaluation variables were identified which will determine the effectiveness of the employee evaluation system and satisfaction of information collected on these variables requirements. Its practice has to be considered for the implementation. Considering the findings of the current study, it has been suggested that the affiliation of prizes with the performance makes the employee evaluation system more effective and acceptable for the employees of related organizations. Thus, the recommendation of the current study on this issue is that linking rewards with employees performance should be made a crucial part of the evaluation process. The present study also indicates that there is need to pay attention to better subordinate relationships. High quality relations are characterized by mutual trust, respect and obligation, which generate an impression between an employees and its supervisor. If supervisor supports employees, decision latitude and freedom, then the employee will work hard and doing additional work required to improved performance. Therefore, the faith and trust and the masterpiece will increase the effectiveness of the performance of the evaluation, such as 1) complaint system 2) implementation 3) participation 4) response 5) targeting 6) award 7) support 8) superior- subordinate relationship 9) performance standard.

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